

Program B: Marketing

Program Authorization: R.S. 36:4; 36:301; 51:1252

PROGRAM DESCRIPTION

The Marketing Program provides advertising for the tourist assets of the state of Louisiana. This program's mission is to design, produce and distribute advertising materials in all media. The program attempts to reach as many potential tourists as possible in the state, in the nation and in the world with an invitation to visit Louisiana. The goals of the program are to increase the number of visitors to Louisiana and to increase cooperation among Louisiana travel industry partners. There are two activities in this program: Marketing, and Advertising Contract.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To develop performance information to demonstrate the effectiveness and the impact of tourism marketing efforts toward the growth of the tourism industry in Louisiana."

Strategic Link: *To increase the number of visitors to Louisiana by 15% from 1998 to 2003.*

Explanatory Note: The information previously presented for this program, while providing a view of the size and impact of the tourist industry in the state, did not demonstrate the impact of this program on the tourist industry. During the remainder of this year and the following, the program will research possible methods to demonstrate its impact. Much of the information previously shown under objectives is now provided in the General Performance Information table following.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
K	Percentage of performance information developed	Not applicable ¹	Not available	Not applicable ¹	Not applicable ¹	100%	100%

¹ This indicator was not adopted as a standard in the year indicated.

GENERAL PERFORMANCE INFORMATION: TOURISM					
PERFORMANCE INDICATOR	CY 1995-96	CY 1996-97	CY 1997-98	CY 1998-99	CY 1999-00
Number of U.S. resident visitors to state (in millions) ¹	19.7	20.9	21.3	20.3	21.1
Number of U.S. resident visitors to West South Central Region (in millions) ²	110.6	111.0	115.3	112.8	116.2
Dollars spent by visitors to state (in \$ billions) ¹	\$6.6	\$7.0	\$7.3	\$7.8	\$8.2
Dollars spent by visitors to West South Central Region (in \$ billions) ²	\$38.3	\$41.2	\$43.4	\$46.2	Not available
Number of overseas and Canadian visitors to state (in thousands) ³	488	508	455	466	471
Hotel/motel room nights sold (in millions)	12.50	12.55	12.88	13.58	13.72

¹ This number includes internal visitation for all round trips of greater than 100 miles. This number is greatly influenced by national economic trends, the weather during key events and various other factors beyond the control of the program. It should be viewed only as an indicator of general trends.

² The West South Central Region includes Texas, Oklahoma, Arkansas and Louisiana. This information is provided for comparison with the corresponding indicator for Louisiana.

³ Accurate data for the number of visitors from Mexico and Central America are not available. The information reported for this indicator include visitors from all other regions of the world.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$183,000	\$100,000	\$100,000	\$0	\$350,000	\$250,000
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	11,840,857	12,220,056	12,391,123	12,191,820	12,682,339	291,216
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<u>\$12,023,857</u>	<u>\$12,320,056</u>	<u>\$12,491,123</u>	<u>\$12,191,820</u>	<u>\$13,032,339</u>	<u>\$541,216</u>
EXPENDITURES & REQUEST:						
Salaries	\$302,156	\$418,034	\$412,724	\$419,493	\$411,103	(\$1,621)
Other Compensation	32,707	31,351	30,190	30,190	30,190	0
Related Benefits	51,921	74,667	76,032	76,962	75,871	(161)
Total Operating Expenses	3,037,613	2,703,626	2,822,972	2,656,305	2,656,305	(166,667)
Professional Services	8,416,460	8,956,443	9,044,805	9,008,870	9,508,870	464,065
Total Other Charges	183,000	135,935	100,000	0	350,000	250,000
Total Acq. & Major Repairs	0	0	4,400	0	0	(4,400)
TOTAL EXPENDITURES AND REQUEST	<u>\$12,023,857</u>	<u>\$12,320,056</u>	<u>\$12,491,123</u>	<u>\$12,191,820</u>	<u>\$13,032,339</u>	<u>\$541,216</u>
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	10	12	12	12	12	0
Unclassified	0	0	0	0	0	0
TOTAL	<u>10</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>0</u>

SOURCE OF FUNDING

This program is funded with Fees and Self-generated Revenues which are derived from the Louisiana Tourism Promotion District. Act 1038 of the 1990 Regular Session of the Legislature created the Louisiana Tourism Promotion District which receives 3/100 of 1 cent of the sales and use tax. These proceeds are then transferred to the Office of Tourism for out-of-state advertising, and promoting tourism in Louisiana.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$100,000	\$12,320,056	12	ACT 11 FISCAL YEAR 2000-2001
			BA-7 TRANSACTIONS:
\$0	\$171,067	0	Carry forward BA-7 for the third and final payment (\$166,667) for the production of the Jazz Documentary prepared by the Washington Educational Television Authority (WETA TV FM) and \$4,400 for the building cleaning and re-coating of concrete at the Greenwood Welcome Center. (Although this one item should have been charged to the Welcome centers Program, the clerk operator coded this item to the Marketing program and was unable to make the change as the error was discovered after the ISIS system was frozen for year end.)
\$100,000	\$12,491,123	12	EXISTING OPERATING BUDGET – December 15, 2000
\$0	\$4,026	0	Classified State Employees Merit Increases for FY 2001-2002
\$0	(\$171,067)	0	Non-Recurring Carry Forwards
\$0	(\$9,481)	0	Attrition Adjustment
\$250,000	\$250,000	0	Other Adjustments - provides a total of \$350,000 for hosting the National 2001 B.A.S.S. Masters Classic at Bayou Segnette State Park in the fall
\$0	\$3,673	0	Other Adjustments - Civil Service Reallocation of Marketing Supervisors
\$0	(\$35,935)	0	Other Adjustments - one-time funding of a public relations contract for the Putamayo Festival
\$0	\$500,000	0	Other Adjustments - provide the yearly 1/2 million dollar increase for out-of-state advertising per Act 1025 of the 1999 Regular Session
\$350,000	\$13,032,339	12	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 104.3% of the existing operating budget. It represents 102.3% of the total request (\$12,739,820) for this program. The 4.3% increase from the existing operating budget is due to providing \$500,000 for the marketing/ad contract per Act 1029 of 1999 and providing funding for Louisiana to host the 31st B.A.S.S. Masters Classic. The 2.3% increase above total requested is due to provided funds for Louisiana to host the 31st B.A.S.S. Masters Classic held in New Orleans at Bayou Segnette State Park August 2-4. This program does not have any positions that have been vacant for 1 year or more.

PROFESSIONAL SERVICES

\$9,508,870 Peter A. Mayer Advertising, Inc. - Advertising and public relations services including design and placement of print and electronic ads in media both domestic and international; design and production of promotional brochures, as well as coordination of telemarketing services, and publicity with Louisiana Broadcasters Association and the Louisiana Press Association

\$9,508,870 **TOTAL PROFESSIONAL SERVICES**

OTHER CHARGES

\$350,000 Hosting the 31st B.A.S.S. Masters Classic to be held in New Orleans at Bayou Segnette State Park, August 2-4

\$350,000 **TOTAL OTHER CHARGES**

ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for FY 2001 -2002.